



CALPEEK

CALIFORNIA POLITICAL WEEK

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CAMPAIGN 2000: TRIAL LAWYERS AND INSURERS WILL DO BATTLE OVER 3RD PARTY BAD FAITH SUITS.

Editor's note: It's *WWIII* once again as a coalition of business and insurance interests battle with Consumer Attorneys of Calif. (aka the trial lawyers) over SB 1237 by State Sen. Marta Escutia(D-L.A.) and AB 1309 by Assemblyman Jack Scott(D-Pasadena). Together, both bills *restore 3rd party bad faith lawsuits*. Here's our first report and analysis...

...Some of Calif.'s big insurers are furious Gov. Gray Davis(D) has signed this pair of bills and are ready to hit the street with a referendum to repeal both. Under the coalition name of Consumers Against Fraud and Higher Insurance Costs, they need to collect 419,260 valid signatures *for each measure* by Jan. 1st to qualify for the Mar. 7th ballot. County registrars have additional time to verify the signatures. The drop dead date to make the ballot is Feb. 5th – according to the Sec. of State. Two petition management firms will be collecting the signatures: Arno Political Consultants and Progressive Campaigns. Some sources think it is possible the signatures could be gathered in 30-60 days, leaving more than enough time to verify signatures...

...Why are the insurance firms so mad? Under these bills, accident victims could file a lawsuit against the insurance company of the person at fault IF they felt the insurance company was stalling or acting in bad faith on a settlement or making a low offer. This used to be the law under a 1979 decision by the Rose Bird Court called the *Royal Globe* case. But the Malcolm Lucas Court overturned *Royal Globe* in 1987. The insurance industry says if this law goes back into effect, auto insurance costs will go up...

...According to our sources, SB 1237 was *Davisized* by the addition of AB 1309 - meaning the overall impact isn't as bad or as wide-ranging as insurance firms

think, but they've worked themselves into a frenzy and are now too committed to back down from the *Jihad* against the trial lawyers. And this referendum battle also is a *Full Employment Act* for a number of campaign consulting firms working for the insurance industry: Goddard Claussen; Townsend, Raimundo et al; Joe Shumate; McNally/Temple; and Burson Marsteller. Consultants Bill Carrick of Morris, Carrick & Guma and Richie Ross are working for the trial lawyers & consumers. Overall, we're talking about a multi-million dollar effort by both sides...

...FYI: Because of the insurance industry's action, The Foundation for Taxpayer & Consumer Rights, based in Santa Monica and headed by advocate Harvey Rosenfield, is considering a full blown *Royal Globe initiative* (not the watered-down version the insurance industry is now targeting). And the war goes on. Stay tuned...

CAMPAIGN 2000: GAY MARRIAGE INITIATIVE TURNS PERSONAL – PETE vs. DAVID KNIGHT FAMILY FEUD.

Editor's note: For those who have been out of the loop, State Sen. Pete Knight(R-Palmdale) has a gay son, David, 39, a former Air Force fighter pilot who fought in the Persian Gulf War. Pete Knight is also the author of the initiative which bans same sex or gay marriage. David Knight recently wrote an Oct. 14th op ed piece for the *L.A. Times*. Here is our analysis, but you should read the entire op ed piece yourself. It's on Calpeek's must read list...

...The David Knight op ed article says that the relationship between father and son is estranged. The rest of the family seems to have accepted David Knight's lifestyle, but not Pete Knight. In the article David Knight says, "My father's idea of family values is very different than mine. He insists his are right and mine are wrong. I'm deeply sorry that my father feels that he can no longer be a part of my life. I miss him. But I cannot

and will not change the person that I am, and I must speak out publicly about what I perceive to be his willful, blind ignorance of this issue.” Strong words...

... As some political insiders have warned, Pete Knight was the wrong person to lead this initiative battle – and this latest story (carried in many newspapers) is exactly what was feared: the issue of marriage is being diverted to the subject of homosexuality and to the relationship between Knight and his gay son. This is not to say that Knight’s initiative is doomed – hardly. But given what David Knight has said, many pundits as well as political reporters may draw the conclusion that Sen. Knight’s motivation in drafting this initiative was both *vindictive* and *very personal*...

... Opponents of Knight’s measure are certainly spinning it that way. NO on Knight campaign mgr. Mike Marshall said, “The initiative is not, as Pete Knight and his backers claim, about defending marriage. It’s about attacking families.” Our sources believe that David Knight’s op ed piece may eventually be worked into a tv or print ad attacking this initiative...

... FYI: In the latest fundraising reports, 8 different dioceses of the Catholic Church have contributed more than \$310,000 to the YES on Knight measure. The Mormon Church has contributed \$3.6 million so far. Total raised by YES on Knight in the new report is about \$3.9 million vs. about \$900,000 raised by the NO on Knight group, *Californians for Fairness*. Stay tuned...

CAMPAIGN 2000: CALIFORNIA INITIATIVE UPDATE.

Editor’s note: Here’s another update about some of the initiatives facing voters in *Campaign 2000*...

● ***Measures on the March Ballot*** – At this point there are 17 measures. Items 1-9 were placed on the Mar. 7th ballot by the State Legislature: 1) SCA 4 – Lotteries: charitable raffles; 2) SCA 11 – CA Indian Gaming compact; 3) AB 18 - \$2.1 billion Parks, Water & Coastal Protection Bond; 4) AB 1584 - \$1.97 billion Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond; 5) SB 3 - \$350 million Calif. Reading and Literacy Improvement and Public Library Construction & Renovation Bond...

... 6) AB 1391 - \$220 million Forensic Laboratories

Bond; 7) SB 630 - \$50 million construction and renovation bonds for veterans homes; 8) Peace Officers; 9) CA State Lottery: Cardenas Textbook Act of 2000; 10) Murder: special circumstances...

... ***Initiatives*** 11) Juvenile Crime Initiative; 12) Definition of Marriage; 13) Referendum to overturn previous Indian Gaming compact; 14) None of the Above; 15) School Facilities bonds – local majority vote; 16) campaign reform (Unz/Miller *Voters Rights 2000*); and 17) Legislative salaries & reapportionment (*Let The Voters Decide Initiative*). FYI: sources expect word at any time on the fate of an initiative to repeal Prop. 10. If it qualifies, it would be the 18th item on the Mar. 7th ballot. **Calpeek** sources say the assignment of numbers for the ballot measures should be made by the first week of November. The 1st item will be Prop. 1-A – Indian Gaming Compact, followed by Prop. 12...

● ***Demo Response to Remap Initiative*** – In addition to a lawsuit against the *Let The Voters Decide Initiative*, sources say Demos have begun to amass a **large warchest** to defeat this GOP effort to take reapportionment out of the hands of Gov. Gray Davis and the Demo controlled legislature. Sources say all Assembly Demos (even marginals) have assessed themselves \$10,000 each. And sources say Assembly Demos are asking the Congressional Demos to write a check for **\$7 million big ones!!!** As for State Senate Demos, PPT John Burton is picking up all the legal costs...

◆ ***Full Metal Jacket*** – It’s official. The effort to repeal Calif.’s new assault weapon law (SB 23) via referendum has failed. **Calpeek** reported that the effort was in deep trouble back on Aug. 30th. But radio talk show host Geoff Metcalf and his *VetoTheGovernor.org* committee have just submitted a new initiative to the AG for title & summary: ***Our Right to Keep and Bear Arms Initiative***. It’s 129 words long...

CAMPAIGN '99: UPDATE ON S.F. MAYOR'S CONTEST.

Editor’s note: There are two week to go until the Nov. 2nd municipal elections in San Francisco --- and things are heating up in the S.F. Mayor’s race. Here’s our brief update & analysis...

... Although S.F. Co. Sup. Tom Ammiano had toyed with the idea of running for mayor, he decided not to.

Well, not exactly. On Oct. 13th Ammiano announced that he'll be a write-in candidate for mayor. Insiders say Ammiano's late entry will increase both the interest and the turnout for this election, but he has absolutely **no chance** of finishing ahead of incumbent Mayor Willie Brown or Brown's two major rivals, former Mayor Frank Jordan or ex political consultant Clint Reilly...

...But Ammiano's entry will undoubtedly insure that there will be a **Dec. 14th runoff**. Most sources **Calpeek** talked to say Ammiano's entry is nothing more than an "ego trip" and that he's posturing for a future run for mayor in four years...

...In terms of voter draw, Ammiano can be expected to get between 7-10%. Who gets hurt by Ammiano's write-in candidacy? Brown probably loses the most, but Jordan and Reilly may get hurt too. Brown can lose 5-7 (or more) points and still make the runoff, but Reilly and Jordan are in a much more delicate position. They need every vote they can get because our sources say the two are running neck-and-neck...

...And Jordan smells blood in the water: Reilly's blood. According to the *S.F. Chron*, when Jordan visited with the editorial board, he called Reilly "a hotheaded free-spender." Reilly's response: Jordan lost his race for mayor against Brown in '95 when he jumped into the shower with the 2 DJs. Stay tuned...

VILLARAIGOSA JUMPS INTO L.A. MAYOR'S CONTEST.

Editor's note: The number ONE question these days among L.A. political insiders is who has the best shot at replacing Richard Riordan in the April 2001 mayor's race. Here's our update & analysis...

...The newest entrant in the mayor's race is Demo Assembly Speaker Antonio Villaraigosa, the very charismatic 46-year-old former UTLA organizer who announced he would run on Oct. 17th. Sources say Villaraigosa told members of the Assembly Demo Caucus on Oct. 14th that he would make this announcement. No immediate calls from the Caucus for Antonio to step down, but that could come if members feel he's spending too much time improving his name ID and not enough time looking after their concerns...

...Is there a time when he might step down? Certainly

not before March, **Calpeek** sources say. Although it is premature, our sources also believe Villaraigosa's close friend, Rules Cmt. Chair Bob Hertzberg (D-Van Nuys), the Assembly's *go to guy*, has the votes to succeed Villaraigosa as Speaker...

...Back to Villaraigosa and the mayor's race. Although he's a big liberal and has close links to his Hispanic base, he's really a cross-over candidate who may have just as much appeal on the Westside as he does in East L.A. And there's little doubt he's coalition builder or that he can raise the bucks. He's already raised more than \$3.1 million for the Assembly Demos...

...The only questions are political maturity and timing. In politics, **timing** is everything and there are those who think 2001 is not right for Villaraigosa --- that he ought to run for the city council and build up his name ID and political IOUs. Put another way, L.A. voters still don't really know Villaraigosa all that well, at least compared to his rivals, who have received tons of local coverage over the years...

...Still no word on whether or not L.A. Co. Sup. Zev Yaroslavsky will run, but most insiders are leaning toward a YES. This doesn't really complicate the political picture for Villaraigosa, but could mean that Demo Controller Kathleen Connell might not run. She is still looking, sources say, as is U.S. Rep. Xavier Becerra (D-L.A.). Becerra does complicate the picture for Villaraigosa...

...FYI: So far there are 4 announced candidates running for mayor: Villaraigosa, L.A. City Atty. Jim Hahn, L.A. Councilman Joel Wachs and L.A. City Parks Comm. Steve Soboroff. With the exception of Wachs, who has not hired a media consultant as yet, the others have all hired high profile campaign/media consultants: Soboroff – Joe Trippi (Trippi, McMahon & Squier); Hahn – Bill Carrick; and Villaraigosa – David Doak (Doak, Carrier, O'Donnell & Assoc.). Stay tuned...

SOME INFO YOU NEED TO KNOW ABOUT CALPEEK.

Here is some helpful information about **Calpeek** that you may need to know. Deadlines for news and Marketplace Network: 12 noon each Wednesday. **Calpeek** is printed and mailed each Thursday. Our fax is (310)657-4340; e-mail calpeek@aol.com. **Calpeek** does NOT make refunds on cancellations...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Nov. 1	Declaration of Intent for State Legislature.
Nov. 5	VICA Business Forecast Conference, Warner Center Marriott Hotel, Woodland Hills.
Nov. 10	Pat Brown Inst. of Public Affairs' 7 th Annual Calif. Public Policy Conference, Wilshire Grand Hotel, L.A.
Nov. 12-14	CA Republican Assembly's Presidential Endorsing Convention, Doubletree Hotel, Ontario.
Nov. 15	Declaration of Candidacy/Nomination papers.
Nov. 16	42 nd CD runoff.
Nov. 30-Dec. 4	Nat'l League of Cities annual meeting, L.A. Convention Center.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Take Over at CRP** – The financially strapped CA Republican Party has turned to a top operative of GOP Presidential candidate George W. Bush of Texas to run the CRP's fundraising and political operation. Lots of criticism aimed at CRP Chair John McGraw and his CRP team recently, but this ought to help. State Sen. Jim Brulte of Rancho Cucamonga, generally regarded as one of the better CA political operatives, is taking a leave as a Calif. co-chair of the Bush campaign to become the CRP's Finance Chair. In addition, it was Brulte's *Victory 2000* plan that was adopted recently by the CRP as a blueprint for *Campaign 2000*. The Victory 2000 effort is separate from the CRP's control, but will operate under the CRP umbrella. Why the take over?? Bush's CA team wanted to make sure GOPers were competitive in the upcoming cycle and the only way to do that was to install Brulte. Although it's not a done deal, rumor has it that Brulte's top aide in the GOP Senate Caucus, Tom Ross, is slated to become Director of Victory 2000...

■ **No Surprise – Dole Drops Out** – It shouldn't be a shock to political insiders that Elizabeth Dole folded her GOP presidential effort Oct. 20th. The campaign was running on empty (NO \$\$\$) and there was no message which separated her from Bush, Forbes, etc...

■ **ATM Madness** – San Diego County & City are the next local government units in line to try and ban those double-ATM fees. Santa Monica has already introduced such a law and there's a Nov. 2nd initiative in S.F. to do the same thing...

■ **e-elections.com Has Free Websites** – If you're running an ballot measure campaign, statewide or local, you might want to check out the above. This new internet company is based in Oakland. For info about this offer, email to e-elections.com...

CAMPAIGN 2000: UPDATE ON U.S. HOUSE CONTESTS

Editor's note: Here's another update on key U.S. House races in Calif...

☒ **31st CD** – In this nasty primary battle between U.S. Rep. Marty Martinez(D) and State Sen. Hilda Solis(D-El Monte), our sources say U.S. Rep. Howard Berman(D) will remain "neutral." Interesting, because Berman was the guy who recruited Martinez back in 1980 to run for the Assembly --- during the Berman & McCarthy Speakership War...

☒ **6th CD** – Another Demo primary battle? Although it's too soon to really tell, Demo Assemblywoman Kerry Mazzoni of San Rafael is "looking" at this seat now held by Demo U.S. Rep. Lynn Woolsey of Petaluma. There have been a few news reports about this "exploring," but our sources say insiders should not go jumping to conclusions. Woolsey is a very popular lawmaker. Sources also tell Calpeek that Mazzoni did a poll, but that the survey was not targeted at Woolsey. Mazzoni is *termed out* and is just looking around...

☒ **38th CD** – Sources report that Demo Gerri Schipske of Long Beach will enter the primary in this CD now represented by U.S. Rep. Steve Horn(R). In '96, Schipske ran for the Assembly and lost to Steve Kuykendall(R). Demo Peter Mathews is also running. According to our sources, neither Mathews nor Schipske has a prayer against Horn...

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